

## Message Text

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PAGE 01     EC BRU 12605 221258Z  
ACTION EUR-12

INFO OCT-01 NEA-10 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-07  
NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03  
H-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 LAB-04  
SIL-01 FEAE-00 INT-05 AGRE-00 ITC-01 PA-01 PRS-01  
/110 W

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R 221209Z DEC 76  
FM USMISSION EC BRUSSELS  
TO SECSTATE WASHDC 2662  
INFO ALL EC CAPITALS 2921  
AMEMBASSY TEHRAN  
USMISSION OECD PARIS  
USMISSION GENEVA  
USDEL MTN GENEVA

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E.O.11652: N/A  
TAGS: ETRD EEC IR  
SUBJECT: EC/IRAN OPEN NEGOTIATIONS FOR COOPERATION AGREEMENT

REF: (A) EC BRUSSELS 11434 (B) EC BRUSSELS 9421

1. SUMMARY: THE EC AND IRAN OPENED NEGOTIATIONS FOR A JOINT COOPERATION AGREEMENT WHICH AIMS AT DEVELOPING COMMERCIAL AND TRADE TIES. IRANIAN MINISTER ANSARY CALLED FOR "NONDISCRIMINATORY" ACCESS TO EC MARKETS. SOME EC OFFICIALS INTERPRET THIS TO BE A REQUEST FOR TRADE CONCESSIONS COMPARABLE TO THOSE THE EC GRANTS TO THE MEDITERRANEAN COUNTRIES. THE EC REITERATED ITS PLANS FOR A NON-PREFERENTIAL AGREEMENT BASED ON RECIPROCAL MFN TREATMENT. THE COMMISSION PLANS TO HOLD EXPLORATORY TALKS IN TEHRAN IN JANUARY AT WHICH TIME IT EXPECTS TO OBTAIN THE DETAILS OF THE GOI'S REQUESTS.  
END SUMMARY.  
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PAGE 02     EC BRU 12605 221258Z

2. THE EC COMMISSION AND IRAN COMPLETED THE FIRST ROUND OF NEGOTIATIONS FOR AN EC/IRAN ECONOMIC AND COMMERCIAL COOPERATION AGREEMENT IN BRUSSELS ON DECEMBER 20. COMMISSION AND PERMDEL OFFICIALS TELL US THAT THE NEGOTIATIONS WERE LIMITED TO FORMAL STATEMENTS AND CONCERNED ONLY THE GENERAL FRAMEWORK OF

THE PROPOSED AGREEMENT. THE EC PLANS TO DISCUSS THE SUBSTANTIVE ISSUES, ESPECIALLY ACCESS OF IRANIAN EXPORTS TO THE EC, IN EXPLORATORY TALKS IN JANUARY IN TEHRAN. THE NEXT FORMAL ROUND OF NEGOTIATIONS IS SCHEDULED FOR FEBRUARY 1977 IN BRUSSELS BUT THIS MEETING WILL LIKELY BE DELAYED TO GIVE THE EC MORE TIME FOR INFORMAL TALKS AND FOR PREPARATION OF A DETAILED EC NEGOTIATING MANDATE.

3. IN HIS STATEMENT GOI ECONOMICS AND FINANCE MINISTER ANSARY CALLED FOR "A MOST-FAVORED-NATION CLAUSE TO BE USED IN ITS LITERAL SENSE, MEANING THAT IF EXCEPTIONS ARE MADE IN WHATEVER FORM BY THE EC TO OTHER COUNTRIES, THEN THESE SHOULD NOT PLACE IRAN IN A LESS FAVORABLE POSITION." HE ADDED THAT IRAN WANTED ASSURANCE OF "NONDISCRIMINATING ACCESS TO THE COMMUNITY'S MARKETS." PERMDEL OFFICIALS EXPRESS CONCERN THAT THE GOI MAY AGAIN BE ASKING FOR TRADE CONCESSIONS COMPARABLE TO THOSE THAT THE EC IS GRANTING TO THE MEDITERRANEAN COUNTRIES. THEY EXPECT THE JANUARY TALKS TO CLARIFY THE GOI'S REQUESTS AND TO INDICATE IF THE GOI WOULD SETTLE ON NON-PREFERENTIAL TRADE ARRANGEMENTS, SUCH AS IMPROVED MARKET ACCESS UNDER GSP. COMMISSION AND PERMDEL OFFICIALS REITERATE THE COMMUNITY'S FIRM INTENTION OF NOT GRANTING TRADE PREFERENCES TO IRAN.

4. COMMISSIONER GUNDELACH'S STATEMENT CALLED FOR AN AGREEMENT BASED ON RECIPROCAL MFN TREATMENT AND OPTIONAL TRADE FACILITIES. HE ALSO CALLED FOR NONDISCRIMINATORY TREATMENT REGARDING ACCESS TO NATURAL RESOURCES, RAW MATERIALS, FOOD AND INDUSTRIAL PRODUCTS AND FOR THE ELIMINATION OF NON-TARIFF BARRIERS AND DISTORTIONS TO COMPETITION. GUNDELACH SAID THE AGREEMENT SHOULD FOSTER DEVELOPMENT OF EC AND IRANIAN INDUSTRIES, AND PROMOTE MUTUALLY LIMITED OFFICIAL USE

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PAGE 03 EC BRU 12605 221258Z

ADVANTAGEOUS INVESTMENTS, SUCH AS NEW INDUSTRIAL LINKS AND JOINT VENTURES.

5. THE MISSION IS SENDING COPIES OF THESE OPENING STATEMENTS TO AMEMBASSY TEHRAN AND STATE/EUR/RPE - MCLEAN. HINTON

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## Message Attributes

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